BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca Issue: 04-14 April 8, 2004

- **Unemployment rate holds steady at 7.9%, despite modest job growth**
- **Urban income inequality has increased significantly over the last two decades in BC**
- **British Columbians produced 628 kilograms of solid waste per person 2002**

The Labour Force

- **British Columbia's unemployment rate held steady in March, at 7.9% (seasonally adjusted)**. Underlying this was an increase in employment (+0.3%) effectively matched by an expansion of the labour force (+0.2%). There were 5,100 new jobs in March, just as 4,600 more people started looking for work. Thus, while the labour market posted modest gains last month, these were not reflected in the unemployment rate.

  The major industries adding jobs last month were utilities (+12.2%) and construction (4.4%). Partly offsetting this was significant decline in the number of jobs in manufacturing (-3.5%) and forestry, fishing, & mining (-8.4%).

  The net employment increases came from outside BC's major metropolitan areas. In both Vancouver (-0.1%) and Victoria (-0.3%) employment was down in March (seasonally adjusted, three month moving average).

  There was a substitution away from part-time employment (-3.0%) in favour of full-time jobs (+1.1%) in March. There were also gains in self-employment (+0.8%), which accounted for more than half (60%) of the new jobs.

  The overall increase in employment was greater for men (+0.4% seasonally adjusted) than for women (+0.1%). The number of jobs held by young people rose 1.5% in March, after two months of significant decline. As a result, the youth unemployment rate edged down slightly to 14.5%, though it is still more than double the adult rate (6.6%). *Data Source: Statistics Canada*

- **Nationally, the unemployment rate crept up to 7.5% (seasonally adjusted) from 7.4% the month before**. This was due to a slight decline in employment (-0.1%) while the labour force remained unchanged. Across the provinces, unemployment ranged from a high of 15.5% in Newfoundland & Labrador to as low as 5.0% in both Alberta and Manitoba.

  Data Source: Statistics Canada

The Economy

- **Building permits in BC were down 14.4% (*seasonally adjusted*) in February**. Residential construction permits fell 7.4%, while in the non-residential sector permits dropped 31.8%. This follows on two months of double-digit growth. Nationally, building permits were practically unchanged (+1.6). *Data Source: Statistics Canada*

Income Inequality

- **Urban inequality in BC increased over the last two decades, as the gap between the lowest- and highest-income earners expanded in both Victoria and Vancouver**.

  In Vancouver, the poorest 10% of the population saw their real income (adjusted for inflation and family size) fall 11% between 1980 and 2000. In contrast, the wealthiest 10% of the population had a real income increase of 9%. In 1980, the highest 10% income group earned 5.3 times as much as the lowest 10% group. By 2000, the highest income group earned 6.4 times as much as the lowest group.

  Income inequality also increased in Victoria, although for slightly different reasons. Unlike Vancouver, the lowest income group in Victoria has not faced a decline of real income over the last two decades—indeed, their incomes actually increased slightly (+2%). The wealthiest 10% of the population, however, saw much larger income gains (+14%). Thus, the highest income group in Victoria earned 5.6 times as much as the lowest income group in 2000. This ratio is up from 5.0 in 1980.

Report The High Tech Sector

Did you know...
Statistics Canada's price index for women's underwear was up 0.7% in 2003.

Thus, in Vancouver, income inequality expanded in two directions (higher incomes among the wealthiest and lower incomes among the poorest), whereas in Victoria inequality expanded only in one direction (higher incomes among the wealthiest, stable income among the poorest).

Data Source: SC, Catalogue no. 89-613-MIE

- **Vancouver had the highest degree of urban inequality in the country in 2000**. The wealthiest 10% of the population earned 6.4 times as much as the poorest 10% of the population. No other major urban area in Canada had a higher ratio of top-to-bottom income. St. Johns and Ottawa-Hull had the next highest ratios (both at 6.3), slightly below Vancouver. Outside BC, the lowest degree of urban inequality was in Hamilton, Ontario (4.8). The average of 27 metropolitan areas in Canada was 5.9.

Data Source: SC, Catalogue no. 89-613-MIE

- **The increase in "downward inequality" (falling incomes among the poorest) in Vancouver over the last two decades is closely related to trends in immigration.**

  Vancouver is a major destination for immigrants to Canada. Recent immigrants made up 16.6% of the population in 2000, up from 10.3% in 1980. This is the second-highest proportion in the country, and contrasts sharply with Victoria, where only 3.0% of the population are new immigrants.

  New immigrants often experience a period of relatively low income while they establish themselves in the new country. Thus, the rise in the number of immigrants has increased the ranks of low-income earners in Vancouver.

  At the same time, the low-income rate among recent immigrants in Vancouver has risen sharply over the years. In 1980, low income among recent immigrants was 18%; by 2000, the rate had nearly doubled (37%). This suggests that new immigrants are becoming increasingly isolated, economically, from the mainstream of society.

Data Source: SC, Catalogue no. 89-613-MIE

The Environment

- **British Columbians produced 628 kilograms of solid waste per person for municipal land fills in 2002, up 3% from the year before**.

  Over the 1990s, solid waste disposal gradually declined from 879 kilos per person in 1990 to 606 kilos per person in 1998. This was a decrease of 31%, reflecting the introduction of programs such as curbside recycling, higher deposits on bottles and cans, and greater environmental awareness. However, since 1998, waste disposal per person has been relatively constant.

  In Victoria (CRD), solid waste disposal was 412 kilos per person in 2002, 34% below the provincial average. In Vancouver (GVRD), there were 698 kilos of waste per person, 10% higher than the BC average. Across the province, Powell River has the lowest amount of waste per person (256 kilos), while the Northern Rockies has the highest (1,591 kilos).

Data Source: Ministry of Water, Land, and Air Protection

- **There were roughly 13,500 people employed in the environment sector in BC in 2000, up 19% from 1998**. The environment sector covers activities geared to environmental protection or restoration, the development of cleaner technologies, and the like.

  Across Canada, the environment sector employed 94,000 people, representing 0.39% of the total workforce. Environmental employment made up the highest share of the workforce in Alberta (0.71%) and the lowest in Quebec (0.29%). In BC, 0.42% of workers are employed in the environment sector, the second-highest proportion in Canada.

Data Source: SC, Catalogue no. 16-001-MIE

Six Feet Under

- The funeral services industry in Canada generated $1.3 billion in revenues in 2002, up 7% from 2001. *Data Source: Statistics Canada*

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Infoline Report

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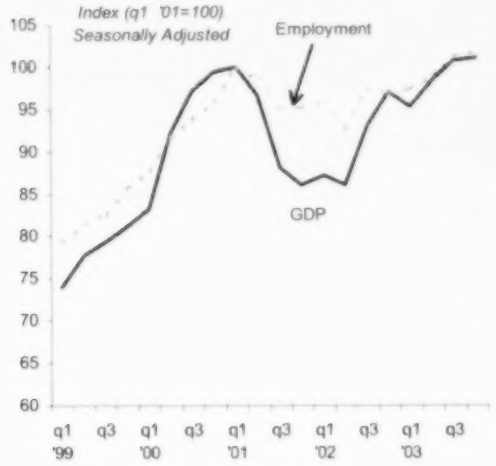
Contact: Lillian Hallin (250) 387-0366
Originally published in *High Tech Quarterly*, Issue 03-4. Annual Online Subscription (all releases) $100 +GST

The High Tech Sector

- High tech sector recovery from post-2001 slowdown now complete
- GDP and employment increase modestly in the fourth quarter after posting solid gains earlier in the year
- High tech exports and imports down in 2003 due largely to an appreciating Canadian dollar

GDP and employment in the high tech sector reached an all-time high in the fourth quarter



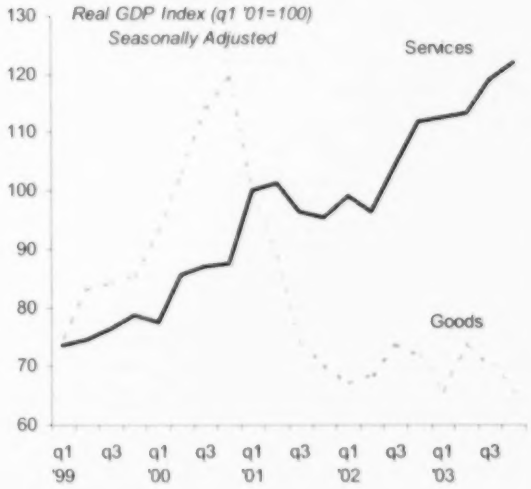
Despite slower growth, GDP and employment in the high tech sector reached an all-time high in the fourth quarter

British Columbia's high tech sector slowed at the end of the year, with gross domestic product (GDP) expanding a modest 0.3%, following two quarters of robust growth.1 The number of high tech sector jobs in the province also increased substantially less (+0.5%) than in the previous two quarters.

In the third quarter, GDP and employment in the province's high tech sector rose to levels not seen since the first quarter of 2001. With a continued expansion in the fourth quarter, both GDP and employment reached all-time highs, indicating that the sector has now fully recovered from the downturn that began in 2001.

Although the high tech sector saw a marked improvement in its fortunes during 2003, the recovery was localized in high tech services, which advanced (+2.4%) for a sixth straight quarter at the end of 2003. BC manufacturers of high tech products continued to struggle as GDP shrank for the fourth time since late 2002. After falling sharply in 2001, GDP in high tech manufacturing has remained relatively stagnant during the last two years, and there are no indications that it will turn around anytime soon.

High tech service industries continued to be the driving force for growth in GDP



[1] All figures quoted are seasonally adjusted unless otherwise specified. GDP data are reported in constant (1997) dollars; all other dollar figures are in current dollars.

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Revenues in the high tech sector slipped 0.6% in the fourth quarter, reflecting ongoing weakness (-5.8%) in high tech manufacturing. Service sector revenues advanced 1.7% at the end of the year.

Job gains continued

Although growth softened in the fourth quarter, rising just 0.5%, high tech employment reached an all-time high of 47,900 at the end of the year. The number of people working in high technology service industries increased modestly (+0.7%) in the fourth quarter, while employment in high tech manufacturing was unchanged.

Wages and salaries rose 1.3% in the fourth quarter, driven by gains in both goods (+1.0%) and service (+1.4%) industries.

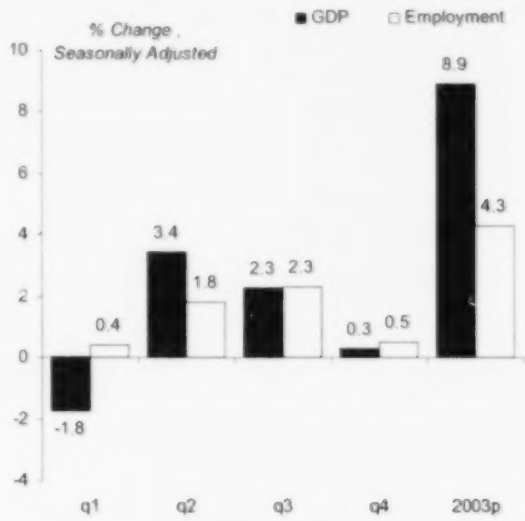
High tech sector expands for the first time since 2000

During 2003, BC's high tech sector expanded a healthy 8.9%, reflecting solid GDP growth (+13.3%) in the service sector. However, goods industries in the sector contracted (-2.1%) for the third year in a row. Both GDP and employment in high tech manufacturing remain well below 2001 levels.

Employment in the sector averaged 47,000 during 2003, an increase of 4.3% over the level in the previous year. There were more jobs in both the goods (+1.0%, to 14,600) and service (+5.8%, to 32,400) industries.

Annual estimates for 2003 are still preliminary, and will be revised later in the year, following the publication of revisions to the underlying data sets on which these figures are based.

High tech industries lost momentum in the fourth quarter. Despite this, the sector expanded for the first time since 2000

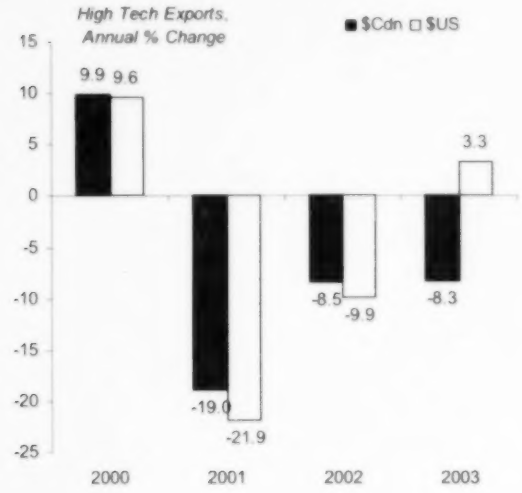


High tech trade dropped in 2003...or did it?

The value of both exports (-5.1%) and imports (-2.6%) of high technology goods fell in the fourth quarter, with both finishing the year 8.3% lower than in 2002. However, much of this decline was due to the rapid appreciation of the Canadian dollar and quantities shipped did not fall at the same rate. In fact, when converted to American dollars,2 BC high tech exports (+3.3%) and imports (+3.1%) both expanded in 2003.

[2] Canadian dollar-denominated exports and imports were converted to US dollars using an average monthly exchange rate and applying it to monthly trade data.

When valued in American currency, BC's high tech exports increased in 2003



Exports to most major destinations down

High tech exports to the United States dropped 17.2% in the fourth quarter (unadjusted), contributing to an annual decline of 9.9% compared to 2002. Shipments to countries in the Pacific Rim fell 14.7% in 2003, despite a whopping 152.4% increase in exports to China. A substantial drop in high tech exports to Japan (-66.7%) was the main reason for the drop in shipments to the Pacific Rim. Exports to the European Union edged up slightly (+0.8%) in 2003, despite a decline in shipments to the United Kingdom (-27.2%), the most significant European destination for BC high tech goods.

Note

Although annual estimates for 2003 were reported in this publication, these numbers should be used with discretion. The estimates will be finalised (and data for earlier years revised) when the annual publication Profile of the British Columbia High Technology Sector is released later this year.

What's included in the high tech sector?

NAICS Code	Description
325189	Other Inorganic Chemicals
3254	Pharmaceutical & Medicines
3331	Commercial & Service Industry Machinery
334	Computers & Electronic Products
335315	Switchgear, Relay & Industrial Controls
33591	Battery
33592	Communication & Energy Wire & Cable
33599	All Other Electrical Equipment & Components
3364	Aerospace Products & Parts
3391	Medical Equipment & Supplies
5112	Software Publishers
5142	Data Processing
54133	Engineering
5415	Computer Systems Design & Related

Based on Canadian 1997 North American Industry Classification System (NAICS) codes

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/04	% change on one year ago
BC	4,168.1	1.0
Canada	31,752.8	0.9
GDP and INCOME		
(BC - at market prices)	2002	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	135,552	2.7
GDP *($ 1997 millions)*	128,151	2.4
GDP *($ 1997 per Capita)*	31,143	1.5
Personal Disposable Income *($ 1997 per Capita)*	19,576	0.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jan	3,095	0.5
Merchandise Exports - Jan	2,209	-4.1
Retail Sales - Jan	3,429	0.6
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Feb '04	% change
BC	121.3	1.9
Canada	123.2	2.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Mar '04	prev. month
Labour Force - BC	2,215	0.2
Employed - BC	2,041	0.3
Unemployed - BC	174	-0.3
		Feb '04
Unemployment Rate - BC *(percent)*	7.9	7.9
Unemployment Rate - Canada *(percent)*	7.5	7.4
INTEREST RATES (percent)	Apr 7/04	Apr 9/03
Prime Business Rate	4.00	4.75
Conventional Mortgages - 1 year	4.45	5.35
- 5 year	5.95	6.85
US/CANADA EXCHANGE RATE	Apr 7/04	Apr 9/03
(avg. noon spot rate) Cdn $	1.3130	1.4678
US $ *(reciprocal of the closing rate)*	0.7636	0.6817
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Mar '04	one year ago
BC	677.22	-0.7
Canada	680.53	3.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

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